

<b>Subject:</b>	<b>Strategic Risk Focus:</b> <b>SR30 Failure to demonstrate Place Based Leadership, unable to promote the City-Region's business economy, employment &amp; training opportunities; a poor reputation in delivering value for money for the business rate payer</b> <b>SR23 Unable to develop an effective Investment Strategy for the Seafront</b> <b>SR21 Unable to manage housing pressures</b> <b>SR26 Not strengthening the council's relationship with citizens</b>	
<b>Date of Meeting:</b>	<b>9 January 2018</b>	
<b>Report of:</b>	<b>Executive Lead Officer, Strategy, Governance &amp; Law</b>	
<b>Contact Officer: Name:</b>	<b>Jackie Algar</b>	<b>Tel: 01273 291273</b>
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<b>Ward(s) affected:</b>	<b>All</b>	

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Audit & Standards Committee has a role to monitor and form an opinion on the effectiveness of risk management and internal control. As part of discharging this role each January it reviews the Corporate Risk Assurance Framework (CRAF) which includes full detail of all Strategic Risks and all Directorate Risks. In addition, the Committee focuses on at least two Strategic Risks at each of their meetings.
- 1.2 This report confirms to the Committee that there were no updates to the city council's Strategic Risk Register (SRR) following the last review undertaken by the Executive Leadership Team (ELT) on 22 November 2017. For more detail of the ELT review see the CRAF report on this same agenda, and appendix 2 of the CRAF report which is the SRR.
- 1.3 The Strategic Risk Focus is based on detail provided in Appendix 2 of the CRAF report which records the actions taken (existing controls) and future actions to manage each strategic risks, including SR30; SR23; SR21 and SR26, the subject of this Strategic Risk Focus.
- 1.4 The officers available to answer Members' questions on the Strategic Risk SR30 will be Geoff Raw, Chief Executive; for SR23 Nick Hibberd, Executive Director Economy, Environment and Culture; and for SR21 and SR26 Larissa Reed, Executive Director Neighbourhood, Communities and Housing.

## **2. RECOMMENDATIONS:**

- 2.1 That the Audit & Standards Committee notes the CRAF report Appendix 2 for details of SR30; SR23; SR21 and SR26.
- 2.2 That, having considered Appendix 2 of the CRAF report and any clarification and/or comments from the officers, the Committee makes any recommendations it considers appropriate to the relevant council body.
- 2.3 That the Committee note that (as detailed in paragraph 3.3) there have been no changes to the council's SRR.

## **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The SRR details the current prioritised risks which may affect achievement of the council's Corporate Plan purpose, including in relation to its work with other organisations across the city. It is reviewed and agreed by ELT quarterly, and influences service activity within Directorates and Directorates' individual Directorate Risk Registers.
- 3.2 Across the council there are a number of risk registers which prioritise risks consistently by assigning risk scores 1-5 to the likelihood of the risk occurring , and the potential impact (denoted by 'I') if it should occur. These L and I scores are multiplied; the higher the result of L x I, the greater the risk e.g.L4xI4 which denotes a Likelihood score of 4 (Likely) x Impact score of 4 (Major). A colour coded system, similar to the traffic light system, is used to distinguish risks that require intervention. Red risks are the highest, followed by Amber risks and then Yellow, and then Green. The Strategic Risk Register records Red and Amber risks. Each strategic risk has a unique identifying number and is prefixed by 'SR' representing that it is a strategic risk.
- 3.3 There were no updates to the city council's Strategic Risk Register (SRR) as a result of the Executive Leadership Team (ELT) review on 22 November 2017 however it was agreed that as part of the next risk review cycle, all risk owners and risk action leads would be requested to provide more clarity on Existing Controls under the 'Third Line of Defence' which records Independent Assurance. This will provide better information for the Internal Audit team to review the Audit Plan delivery and will help inform the 'Audit Opinion' provided by the Head of Internal Audit which is a requirement of the Annual Governance Statement. See Appendix 1 for the revised guidance sent out after the ELT review.
- 3.4 In December 2017 there was a minor change to the risk management software used as a result of the supplier upgrading the system. This minor change from previous software version (Integrated Risk Manager 'IRM') to now 'CammsRisk' has been communicated to users of the system who are supported by the Risk Management Lead.

## **4. FINANCIAL & OTHER IMPLICATIONS:**

Financial Implications:

- 4.1 For each Strategic Risk there is detail of the actions already in place ('Existing Controls') or work to be done as part of business or project plans ('Risk Actions') to address the strategic risk. Potentially these may have significant financial implications for the authority either directly or indirectly. The associated financial risks are considered during the Targeted Budget Management process and the development of the Medium Term Financial Strategy.

*Finance Officer Consulted: James Hengeveld*

*Date: 27/11/2017*

Legal Implications:

- 4.2 Members of the Committee are entitled to any information, data and other evidence which enables them to reach an informed view as to whether the council's strategic risks are being adequately managed. The Committee may make recommendations based on its conclusions.

*Lawyer Consulted: Victoria Simpson*

*Date: 27/11/2017*

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Guidance for setting out existing risk controls using the 3 Lines of Defence – 22 November 2017.

### **Documents in Members' Rooms**

1. None.

### **Background Documents**

1. Corporate Risk Assurance Framework (CRAF) 2017-18 report, Appendix 2 Strategic Risk Register as reviewed by the Executive Leadership Team 22 November 2017.

